



# INVESTIGATIVE REPORT

Cynthia V. Carrasco, Inspector General

OFFICE: DEPARTMENT OF REVENUE (DOR)  
TITLE: DOR NEPOTISM - MOTHER  
CASE ID: 2015-10-0178  
DATE: May 17, 2016

*The Office of Inspector General's (OIG) Chief Legal Counsel, Tiffany Mulligan, after an investigation by OIG Director of Investigations, Darrell Boehmer, reports as follows:*

The Indiana Office of Inspector General (OIG) received an anonymous complaint on October 7, 2015, through the OIG's hotline requesting an investigation regarding nepotism involving a mother (Respondent) and her daughter (Daughter) who worked in the Collections Division of the Indiana Department of Revenue (DOR). The OIG referred the complaint to DOR, who investigated the matter and confirmed there was an issue. The OIG's Director of Investigations, Darrell Boehmer, began an investigation.

The OIG is charged with investigating criminal activity and ethics violations by executive branch state employees, pursuant to Ind. Code § 4-2-7-3.

During an investigation of this complaint, the OIG interviewed several employees from the DOR. The OIG also reviewed personnel files and emails. The OIG confirmed that both the Respondent and her Daughter worked in DOR's Collections Division.

The Respondent was a full-time employee of DOR and served as a Tax Analyst Supervisor 5 under the Production Manager in DOR's Collections Division (Production Manager). The OIG issued a separate report involving the Production Manager, which can be found under the same case number and is titled DOR Nepotism – Manager. According to the Respondent's job

description, the Respondent was responsible for providing technical assistance and supervision to a staff of lower level professionals and clerical staff to ensure compliance with state laws and procedures. Her job description further provides that she was responsible for interviewing and hiring staff personnel.

### **I. Hiring of Daughter**

Based on OIG interviews and review of personnel records and emails, the OIG alleged that the Respondent hired her Daughter to work at DOR as a Tax Analyst 5 in April of 2015. DOR's records demonstrated the following: the Respondent had the authority to hire staff; DOR's Human Resources (HR) staff believed the Respondent was responsible for hiring for the Daughter's position; the Respondent participated in the interview with her Daughter; the Respondent recommended her Daughter for the position in a Justification for Hire memorandum; the Respondent negotiated the start date for her Daughter and extended a job offer to her Daughter. The Daughter began employment as a Tax Analyst 5 with DOR on April 17, 2015.

At the start of the hiring process, the HR Generalist sent an email to the Respondent asking her to pick up the hiring kit for the Tax Analyst 5 position. The email lists her Daughter's name as one of the applicants to be reviewed for the position in the HR Generalist's email to the Respondent.

During interviews with the OIG, the Respondent, the Production Manager and the Daughter all stated that the Respondent was present during an interview with her Daughter for the Tax Analyst 5 position. In her interview with the OIG, the Respondent also asserted that she scored all of the applicants.

The Daughter's personnel record also includes a memo from the Respondent with the subject line "Justification for Hire." The memo provides reasons for hiring her Daughter and

concludes “Based on my interviewing of [Daughter] . . . I have determined that she would be a very good fit for my Team.”

The Respondent and the HR Generalist exchanged emails where the Mother negotiated the start date for her Daughter. In the email exchange, the Respondent also indicated that she extended the offer to the Daughter and the Daughter accepted the offer.

## **II. Supervision of Daughter**

Based on the interviews and documentation, the OIG alleged that the Respondent placed her Daughter under her own supervision. The DOR records and OIG interviews demonstrated that the position that the Respondent’s Daughter filled was under the Respondent’s direct line of supervision at the time of the Daughter’s hiring and thereafter.

The HR Generalist indicated during her interview with the OIG that DOR posted the position as a position in the Respondent’s section.

On April 14, 2015, the HR Generalist sent a letter to the Respondent’s Daughter welcoming her to DOR and providing details of her new position. The letter reads that the position would report to the Respondent.

On April 29, 2015, shortly after the Daughter began work for DOR, the Production Manager sent an email to two HR Generalists with the State Personnel Department, asking that the Daughter be moved from the Respondent’s supervision to that of another DOR supervisor. Despite this email, OIG interviews with several DOR employees, including the other supervisor, the Respondent and the Daughter, indicate that the other supervisor only approved the Daughter’s timesheet; she did not provide regular supervision to the Daughter. Furthermore, the other supervisor stated that no one ever told her she was supervising the Daughter.

The OIG filed an ethics complaint against the Respondent alleging the she: (1) hired the daughter as prohibited by Ind. Code §4-2-6-16(c); and (2) placed the Daughter in her own line of supervision as prohibited by Ind. Code §4-2-6-16(f). The State Ethics Commission found probable cause to support the complaint.

The State Ethics Commission held a public hearing on the matter on February 11, 2016. The Commission issued a Recommended Report on March 10, 2016, which concluded that the OIG did not prove by a preponderance of the evidence that the Respondent violated either provision of the nepotism rule. The OIG filed a brief with the Commission on April 4, 2016, asking for a reconsideration of the Commission's conclusions. The Commission issued a final report on May 12, 2016, which confirmed the Recommended Report's conclusion that the Respondent did not violate the nepotism rule. Accordingly, this investigation is closed.

Dated: May 17, 2016

APPROVED BY:

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Cynthia V. Carrasco, Inspector General